

VECC INTERROGATORY #45

INTERROGATORY

Ref: E2 Tab 1, Schedule 1, page 1.

Questions for this Issue are submitted by Dr. Laurence Booth, an expert witness co-sponsored by the following Intervenors: VECC, CCC, IGUA

With reference to Enbridge's comments on business risk.

- a) Please confirm the following ROEs for Enbridge and complete the table until 2004 for both actual and weather normalized ROEs. The original data is from the testimony of Dr. Cannon in EB2002-0158 June 2003.
- b) Please comment wherever appropriate on EGD's ability to earn its allowed return on common equity ROCE during this period.

RESPONSE

- a) Please see the table on page 2 of this response.
- b) The Company's actual common equity returns since 1985 show amounts both above and below Board approved levels of return on equity. From 1998 until current the Company has experienced a higher number of years where actual ROE was below the Board approved level.

Witnesses: B. Boyle
J. Denomy

History of EGD ROE % versus OEB Approved 1985 - 2005

Fiscal Year	Board Approved Return on Equity %	Utility Actual		Utility Normalized	
		Actual Return on Equity %	Derivation from Approved %	Normalized Return on Equity %	Derivation from Approved %
1985	15.300%	14.580%	(0.720)%	15.510%	0.210%
1986	15.000%	14.690%	(0.310)%	15.420%	0.420%
1987	14.000%	12.260%	(1.740)%	14.310%	0.310%
1988	14.000%	15.460%	1.460%	15.830%	1.830%
1989	13.500%	15.540%	2.040%	16.740%	3.240%
1990	13.250%	13.570%	0.320%	13.600%	0.350%
1991	13.125%	9.400%	(3.725)%	13.290%	0.165%
1992	13.125%	13.290%	0.165%	13.400%	0.275%
1993	12.300%	15.260%	2.960%	14.430%	2.130%
1994	11.600%	14.690%	3.090%	12.490%	0.890%
1995	11.650%	10.710%	(0.940)%	12.660%	1.010%
1996	11.875%	15.000%	3.125%	13.140%	1.265%
1997	11.500%	13.170%	1.670%	13.000%	1.500%
1998	10.300%	8.310%	(1.990)%	11.970%	1.670%
1999	9.510%	7.943%	(1.567)%	10.771%	1.261%
2000	9.730%	8.229%	(1.501)%	10.829%	1.099%
2001	9.540%	10.800%	1.260%	10.029%	0.489%
2002	9.660%	8.982%	(0.678)%	11.805%	2.145%
2003	9.690% (a)	9.743%	0.053%	13.140%	3.450%
2004	9.690%	12.165% (b)	2.475%	10.660% (b)	0.970%
2005	9.570%	9.457%	(0.113)%	9.457%	(0.113)%

Note : (a) 2003 approved was allowed a 0.25% deadband increase for earnings sharing purposes

(b) Actual and normalized return %'s are after \$9.95 million earnings sharing amount returned to ratepayers.

Witnesses: B. Boyle
J. Denomy